

STATE of MONTANA

PUBLIC ASSISTANCE ADMINISTRATIVE PLAN

I. AUTHORITY

A. State

- a. Title 10, Chapter 3, Montana Code Annotated, 1999
- b. Montana Disaster and Emergency Plan, December 19, 2001
- c. Local Government Disaster Information Manual

B. Federal

- e. Public Law 93-288, as amended.
- f. FEMA Regulation, 44 CFR Parts 13, 14, 18, 204 & 206
- g. Executive Order 11988, Floodplain Management
- h. Executive Order 11990, Protection of Wetlands
- i. Executive Order 12612, Federalism
- j. Coastal Barrier Resources Act, Public Law 97-348

II. PURPOSE

The purpose of this plan is to identify the roles and responsibilities of the State in administering the Public Assistance Program and to outline staffing requirements, and the policies and procedures to be used. This administrative plan, by reference, is incorporated into and is part of the Montana Disaster & Emergency Plan.

III. DEFINITIONS

- A. Administrative Plan:** A state developed Administrative Plan that describes the procedures for the administration of a declared disaster or emergency including the Fire Management Assistance Grant Program.
- B. Applicant:** A government or other legal entity that receives an award and which is accountable to the Grantee for the use of the funds provided. Also referred to as the "Sub-grantee".
- C. Associate Director:** The Associate director or Assistant Director of the Response and Recovery Directorate of FEMA.
- D. Contractor:** Any Individual, partnership, corporation, agency or other entity performing work by contract for the Federal Government or State or Local agency.
- E. Declared Fire:** An Uncontrolled fire threatening such destruction as would constitute a major disaster, which the director has approved in response to a State's request for a Fire Management Assistance Declaration.
- F. Demobilization:** The process and procedures for deactivating, disassembling and transporting back to their point of origin all resources that had been provided to respond to and support a declared fire.
- G. Director:** The Director of FEMA.

- H. Disaster Recovery Manager (DRM):** The person appointed to exercise the authority of a Regional Director for a particular emergency or major disaster.
- I. Emergency:** Any occasion or instance for which, in the determination of the President, Federal assistance is needed to supplement State and local efforts and capabilities to save lives and protect property and public health and safety, or lessen or avert the threat of a catastrophe.
- J. Federal Coordinating Officer (FCO):** The person appointed by the Director to coordinate the Federal assistance in an emergency or a major disaster.
- K. Federal Emergency Management Agency (FEMA):** The Federal agency responsible for coordinating disaster recovery efforts. The term used in this plan when referring to the Regional Director, or the Disaster Recovery Manager, of FEMA Region VIII.
- L. Fire Complex:** Two or more individual fires located in the same general area, which are assigned to a single Incident Commander.
- M. Governor:** The chief executive of the State of Montana.
- N. Governor's Authorized Representative (GAR):** The person empowered by the Governor to execute, on behalf of the State, all necessary documents for disaster assistance, including a fire management assistance declaration.
- O. Grant:** An award of financial assistance, including cooperative agreements, by FEMA to an eligible Grantee. The grant award will be based on the projected amount of total eligible costs for which a State submits an application and that FEMA approves related to a major disaster, emergency, or fire declaration.
- P. Grantee:** The State of Montana, hereinafter referred to as the State.
- Q. Hazard Mitigation:** Any cost effective measure, which will reduce the potential for damage to a facility from a disaster event.
- R. Incident Commander:** The ranking official responsible for overseeing the management of fire operations, planning, logistics and finances of the field response.
- S. Incident Period:** The time interval during which the declared fire or disaster occurs. Generally, costs must be incurred during the incident period to be considered eligible.
- T. Joint Field Office (JFO):** A temporary facility established in a Presidential declared disaster area to serve as the field headquarters for FEMA and State recovery personnel, and as the focal point for disaster operation, direction, coordination, and information.
- U. Local Government:** Any county, city, village, town district, or other political subdivision of any State; any Indian tribe or authorized tribal organization; or organization; and includes any rural community, unincorporated town or village, or other public entity for which an application for assistance is made by a State or political subdivision thereof.
- V. Major Disaster:** Any natural catastrophe or regardless of cause any fire, flood, or explosion, in any part of the United States, which in the determination of the President causes damage of sufficient severity and magnitude to warrant major disaster assistance under this Act to supplement the efforts and available resources of States, local governments, and disaster relief organizations in alleviating the damage, loss, hardship or suffering caused.

W. Mitigation, Management, and Control: those activities undertaken, generally during the incident period of a declared fire, to minimize immediate adverse effects and to manage and control the fire. Eligible activities may include associated emergency work and pre-positioning resources directly related to the declared fire.

X. Mobilization: The process and procedures used for activating, assembling, and transporting all resources that the Grantee requested to respond to support a declared fire.

Y. Mop-up: The act of making a fire safe after it is controlled, such as extinguishing or removing burning material along or near the control line, felling snags, trenching logs to prevent rolling.

Eligible mop-up activities under FMAGP: Those activities necessary due to a threat to life and property (structures). These activities would be accomplished during the “response” phase of a fire.

Ineligible mop-up activities under FMAGP: Those activities accomplished where there is no threat to life and property. These activities would be done during the “recovery” phase of the fire.

Z. Principal Advisor: An individual appointed by the Forest Service, United States Department of Agriculture, or Bureau of Land Management, Department of Interior, who is responsible for providing FEMA with a technical assessment of the fire or fire complex for which a State is requesting a fire management assistance declaration.

AA. Pre-positioning: Moving existing fire prevention or suppression resources from an area of lower fire danger to one of higher fire danger in anticipation of an increase in fire activity likely to constitute the threat of a major disaster.

BB. Private Nonprofit Organization: Any non-governmental agency or entity that currently has an effective ruling letter from the U.S. Internal Revenue Service granting tax exemption under section 501 (c), (d), or (e) of the Internal Revenue Code of 1954; or satisfactory evidence from the State that the organization or entity is a nonprofit organized for doing business under State Law.

CC. Project Funding: All projects under FMAGP are treated as large projects; i.e. all costs must be documented before final claim can be approved. Projects under a major declaration or emergency are either small projects or large projects.

DD. Project Worksheet (PW), FEMA Form 90-91: Form used to document the scope of work and cost estimate for a project.

EE. Public Assistance: Supplementary Federal assistance provided under the Stafford Act to State and local governments or certain private nonprofit organizations for eligible emergency measures and repair, restoration, and replacement of damaged facilities.

FF. Regional Director: A director of a regional office of FEMA.

GG. Standard Form (SF) 424: The SF 424 is the Application For Federal Assistance. The State submits this form to apply for a grant under a disaster or fire declaration.

HH. State Coordinating Officer (SCO): The person appointed by the Governor to act in cooperation with the Federal Coordinating Officer to administer disaster recovery efforts.

II. Sub-grant: An award of financial assistance under a grant by a Grantee to an eligible sub-grantee.

JJ. Sub-grantee: An applicant that is awarded a sub-grant and is accountable to the Grantee for the use of the grant funding provided.

KK. Special Considerations: Issues that involve insurance, floodplain management, hazard mitigation, historic preservation and environmental reviews as they relate to Public Assistance Program funding.

LL. Threat of a Major Disaster: The potential impact of the fire or fire complex is of such severity and magnitude that would result in a presidential major disaster declaration for the Public Assistance Program, the Individual Assistance Program or both.

MM. Voluntary Organizations: Any chartered or otherwise duly recognized tax-exempt local State, or national organization or group which has provided or may provide needed services to the states, local governments, or individuals in coping with an emergency or a major disaster.

IV. ORGANIZATION AND ASSIGNMENT OF RESPONSIBILITIES

A. Organization

The Governor has designated the Disaster and Emergency Services (DES) Division, Department of Military Affairs, as the State office responsible for managing and administering the Public Assistance Program. These responsibilities include, but are not limited to:

- a. Notifying potential applicants
- b. Conducting Applicants' Briefings
- c. Requesting Immediate Needs Funding on behalf of the applicants
- d. Attending Kickoff Meetings
- e. Assigning an Applicant Liaison to work with the FEMA Public Assistance Coordinator (PAC)
- f. Determining work and applicant eligibility
- g. Processing requests for time extensions, improved projects, advances and reimbursements
- h. Making recommendations to FEMA on appeals and alternate project requests
- i. Complying with administrative requirements of 44 CFR, Parts 13, 204 and 206 and the audit requirements of 44 CFR, Part 14
- j. Securing insurance information from applicants when required
- k. Reviewing and certifying project completion information
- l. Conducting quarterly reviews, site inspections and audits, as required to ensure program compliance
- m. Determining budget and staffing requirements necessary for proper program management.
- n. Submitting Large Project Quarterly Reports

B. Assignment of Responsibilities

- a. Governor's Authorized Representative (GAR) - The person designated by the Governor to execute all necessary documents for disaster assistance programs on behalf of the State and local grant recipients. The GAR is responsible for State compliance with the FEMA-State Agreement. The GAR is also designated as the State Coordinating Officer.
- b. State Coordinating Officer (SCO) - The person designated by the Governor to coordinate State and local disaster assistance efforts with that of the Federal government. The SCO is also designated as the Governor's Authorized Representative.

V. ADMINISTRATION AND SUPPORT

A. Administrative Support Staff - Since staffing requirements vary depending on the magnitude, type and extent of the disaster, the following personnel may be used to assist the GAR/SCO in meeting program administrative requirements.

- a. State Public Assistance Officer (SPAO) - The person responsible for administering the Public Assistance Program at the State level. The DES, Disaster Recovery Manager is hereby designated as the SPAO.
- b. Applicant Liaisons, Resource Coordinators, Project Officers, Program Specialists, Technical Specialists – are qualified personnel from DES and applicable State agencies who may assist SPAO in determining legal matters, assigning State staff in the Resource Pool, assessing damages, preparing and reviewing PW's, depending on the level of State involvement, and conducting interim and final inspections when necessary.
- c. Finance Officer - The person from the Centralized Services Division (CS), Department of Military Affairs, who assists the GAR/SCO and SPAO by performing professional accounting work for the Public Assistance Program.
- d. Other State Administrative Support Personnel
 - 1. Deputy State Public Assistance Officer (DSPAO)
 - 2. Administrative Officer
 - 3. Communications/Computer Specialist
 - 4. Smartlink Specialist
 - 5. Administrative Support

B. Staff Funding - The initial cost for additional administrative support personnel will be incurred by the State. A claim for reimbursement (Project Worksheet) will be submitted to FEMA in accordance with the management and administrative cost provisions of 44 CFR, 206.228.

VI. DIRECTION AND CONTROL

A. Post Declaration Activities

- a. Notifying Potential Applicants – State DES Public Information Officers, SPAO, District Representative(s) and Local Disaster & Emergency Services Coordinator(s) will be utilized to notify potential Applicants of the assistance that is available and the time and date of the Applicants' Briefing which will be held in their area.
- b. Applicant's Briefing - Once a designated area has been approved for Public Assistance, the SPAO and members of MT DES staff will conduct an Applicants' Briefing. The number of briefings held, will be determined by the number of potential Applicants and the area involved in the disaster. (See Attachment 1)
 - 1. Request for Public Assistance (RPA) FEMA Form 90-49 - The Applicant will be required to file a RPA with the State within 30 days from the date its county was approved for Public Assistance. RPA submitted after this 30-day period will be reviewed on a case-by-case basis and, if warranted, will be forwarded to FEMA for consideration. If necessary, the State may request that the deadline for filing RPA be extended.

2. Designation of Applicant Agent & Applicant Assurances - The Applicant's Principal Executive Officer or other authorized official will be required to designate a Primary and Secondary Applicant Agent who will be the Applicant's "Point-of-Contact" for all matters pertaining to its application for federal assistance (See Attachment 2). If no agent is appointed then the Principal Executive Officer of the eligible organization will be designated as the Applicant Agent. The Applicant further assures and certifies that it will comply with the "Applicant Assurances" printed on the reverse of this form.
- c. Applicant Eligibility – The State will screen all potential applicants for eligibility. Eligible applicants under the Public Assistance Program are:
1. Incorporated Counties, Cities and Towns,
 2. Other legally constituted units of Local Government,
 3. State government agencies and Departments,
 4. Indian Tribes or authorized Tribal organizations, and
 5. Private Non-Profit (PNP) Organizations:

Some PNP facilities are considered "critical" and do not have to be open to the general public; these facilities are: educational, utilities, emergency, medical, and custodial care. These facilities do not have to apply to SBA and all categories of work are eligible under FEMA.

Other PNP facilities which provide essential governmental services must be open to the general public. These facilities are: museums, zoos, community centers, libraries, homeless shelters, senior citizen centers, rehabilitation facilities, shelter workshops, and facilities that provide health and safety services of a governmental nature. These facilities must apply to SBA for permanent work (categories C-G).

All PNP facilities must provide:

- (a) An effective ruling letter from the IRS, granting tax exemption under sections 501(c), (d) or (e) of the Internal Revenue Code of 1954, **or**
- (b) Satisfactory evidence from the State that the non-revenue producing organization or entity is a non-profit one organized or doing business under State law, **and**
- (c) Articles of Incorporation, Bylaws, insurance policies and other data defining the purpose and service provided by the organization and the primary purpose for affected facilities.

B. Project Worksheet (PW) Preparation

- a. The State will participate at all levels in the Public Assistance process. The varied levels of State involvement will include:
 1. Assisting FEMA and/or the applicant in developing scopes of work and cost estimates for PW's.
 2. Assigning a State Project Officer (PO) and/or Specialist to work in the Resource Pool.

3. Participating in the project validation process.
 4. Providing State support as needed (personnel to assist with highly technical projects and/or to resolve disputes, etc.).
 5. Assisting the applicant in identifying hazard mitigation opportunities as provided by Section 406 of the Stafford Act.
- b. A Kickoff Meeting will be scheduled with each applicant following the Applicants' Briefing to provide the Applicant with specific information required to meet particular requirements of the Public Assistance Program. During this meeting the applicant will be advised of documentation requirements, cost estimating procedures, Special Considerations, project formulation, project validation process and etc..
 - c. The Applicant will be:
 1. Encouraged to prepare PW(s) for small projects estimated to cost less than the large project threshold amount. The threshold is adjusted annually on October 1 to reflect changes in the Consumer Price Index for all Urban Consumers and is published in the *Federal Register*,
 2. Responsible for identifying projects that are anticipated to cost more than the large project threshold amount in repair costs, and
 3. Required to address pertinent environmental and historic preservation requirements, insurance coverage, floodplain management issues and hazard mitigation opportunities.
 - d. The Applicant will report any additional damage that is not previously identified to the SPAO within 60 days of the Kickoff Meeting. If warranted, the GAR may request an extension of time in order to report additional damage.
 - e. The State will notify FEMA of any special considerations and/or technical assistance requirements needed to facilitate project approval.

C. Public Assistance Administration

- a. Grant Approval – The State will submit an "Application for Federal Assistance" (SF 424), and "Assurances for Construction" Programs (SF 424D), to FEMA in order to receive Federal funding.
- b. Approved PW(s) will be the basis for issuing subgrants to eligible applicants in accordance with the cost sharing provisions listed below.
 1. The State will participate in the 25% State/Local cost share of the Public Assistance Program and the Fire Management Assistance Grant Program on the following basis: (See Attachment 3)

- (a). For all Incorporated Counties, Cities and Towns:

Before the state will participate in the 25% State/Local cost share of the Public Assistance Program, (44 CFR, Part, 206, Subparts C and G through I) or the Fire Management Assistance Grant Program, (44 CFR, Part 204, Subparts A through E), Public Law 93-288, as amended, the political subdivision must **levy and/or commit** an amount equal to the proceeds of the 2 mill emergency levy (section 10-3-405, MCA).

(b). Other Legally Constituted Units of Local Government:

May apply to the Disaster and Emergency Services, Department of Military Affairs, for a determination as to cost sharing eligibility under Administrative Rules of Montana, (Rule Number 2.3.202).

(c). State Government Agencies and Departments:

Are responsible for the total 25% State/Local cost share.

(d). Indian Tribes or Authorized Tribal Organizations:

Are responsible for the total 25% State/Local cost share.

(e). Private Non-Profit (PNP) Organizations:

Are responsible for the total 25% State/Local cost share.

- c. Project Application – Once the PW(s) are approved by FEMA, the State will be responsible for the final processing and distribution of the project application and for initiating payments. The State will notify the applicant when its project application is prepared and ready for processing. A Project Application will consist of the following documents:

1. State Cover Letter
2. FEMA Project Application Summary (P.2) Report
3. FEMA Project Completion and Certification Report (P.4)
4. Approved Project Worksheets

d. Project Funding

1. Small Projects - Approved projects estimated to be less than the large project threshold amount established by FEMA are considered small projects. FEMA will adjust this amount annually to reflect changes in the Consumer Price Index for all Urban Consumers and publish it in the *Federal Register* before October 1. The determination of the threshold that will be used to classify a project is based on the declaration date of the disaster, regardless of when project approval is made or when the work is performed. Funding for small projects will be based on the federal share of the PW estimate. The State will immediately disburse funds to the applicant after FEMA approves and obligates the small project PW(s).
2. Large Projects - Approved projects estimated to be equal to or greater than the large project threshold amount are considered large projects. FEMA will adjust this amount annually as indicated in the paragraph above. The determination of the threshold that will be used to classify a project is based on the declaration date of the disaster, regardless of when project approval is made or when the work is performed. Funding for large projects will equal the federal share of the actual eligible cost as verified through a review of the project's cost documents. Approved funding will be obligated to the State following FEMA's approval of the Project Worksheet.
3. Advance of Funds - An applicant may request an advance of funds on an approved large project PW. The total advance for any large project PW will not exceed 75% of the Federal share. An advance request will be processed for payment once it has been approved by the State. The applicant will be required to refund any part of an advance that is not supported by cost documents and/or expended for the approved scope of work of the PW within 30 days of receiving the deobligation notice from the State.

4. Immediate Needs Funding (INF) - is a partial advance of funds on emergency work items identified during the Preliminary Damage Assessment (PDA). When a PDA is conducted, only those eligible applicants who were surveyed are eligible to receive INF. If a PDA has not taken place, the State may identify eligible applicants to receive INF funding. The State may request funding for these applicants on their behalf. INF is designed to assist the applicant in dealing with its urgent needs that will require payment within the first 60 days after the declaration. It is not intended for those items that involve Special Considerations or items of work that will require longer than 60 days to complete. These items will be funded in the normal manner as individual projects. INF is calculated using the following formula:

Emergency work amount x 50% x 75% (or appropriate federal cost share) = INF

5. Insurance Requirements - 44 CFR, Subpart I, establishes requirements, which apply to disaster assistance provided by FEMA. Prior to approval of a FEMA grant for the repair, restoration or replacement of an insurable facility or its contents damaged by a major disaster:
 - (a) Eligible costs shall be reduced by the amount of any insurance recovery actually received or anticipated, relating to eligible costs. FEMA will base its determination of eligible costs on whether the insurance settlement is reasonable and proper.
 - (b) The full coverage available under the standard flood insurance policy from the National Flood Insurance Program (NFIP) will be subtracted from otherwise eligible costs for an insurable facility and its contents within the special flood hazard area.
 - (c) If eligible damages are greater than \$5,000, an applicant must obtain and maintain insurance to cover the assisted facility for the hazard that caused the major disaster in the amount of the eligible damage to the facility.
 - (d) Assistance will not be provided under Section 406 of the Stafford Act for any facility for which assistance was provided as a result of a previous major disaster unless all insurance required by FEMA as a condition of previous assistance has been obtained and maintained. Not even the deductible amount, or damages in excess of the NFIP limits, or for flood damaged items not covered by standard NFIP policy will be eligible.
6. Recoupment of Federal Funds - If an approved PW is totally or partially deobligated, the applicant will be notified as soon as possible. Reimbursement by the applicant to the State will be requested once a supplemental PW (deobligating the approved funding) is processed.

e. Funding Options

1. Improved projects - If an applicant desires to make improvements, but still restore the pre-disaster function of a damaged facility, the State is authorized to make a determination on an applicant's request to conduct an improved project. However, such a request must be coordinated with FEMA to insure compliance with national historical and environmental laws. This request should contain:
 - (a) The reason for requesting an improved project.
 - (b) A description of the proposed work.

- (c) A schedule of work.
- (d) A cost estimate.
- (e) Information adequate to establish compliance with special requirements, including, but not limited to, floodplain management, environmental assessment, hazard mitigation, protection of wetlands, endangered species, and insurance.

Improved project requests must be submitted to FEMA prior to starting the improved portion of the proposed work. If approved, funding will be limited to the Federal share of the approved PW amount. If denied, the applicant will be notified in writing why the request was denied and advised of its right to appeal the State's determination.

2. Alternate projects - If an applicant determines that the public welfare would not be best served by restoring a public damaged facility, or the function of that facility, the State can submit a request to FEMA for an alternate project. The State will review the request for eligibility and will ensure that the request contains the following information before forwarding it to FEMA with the appropriate recommendation:

- (a) The reason for requesting an alternate project.
- (b) A description of the proposed work.
- (c) A schedule of work.
- (d) A cost estimate.
- (e) Necessary assurances to document compliance with special requirements, including, but not limited to, floodplain management, environmental assessment, historic preservation, hazard mitigation, protection of wetlands, endangered species and insurance

Requests for alternate projects must be submitted to FEMA prior to starting the proposed work. If the request is approved by FEMA, funding of an alternate project will be reduced to 75% of the Federal share of the approved PW estimate with one exception. If the choice of taking an alternate project is required by the presence of unstable soils at the site of the damaged facility, then the contribution remains at 90% of the Federal share. This exception applies to State and Local government applicants only.

- f. Time Limitations – The State will ensure that approved work is completed within the following time frames from the date a major disaster or emergency is declared:

Emergency Work = 6 months

Permanent Work = 18 months

- g. Time Extensions - An applicant may request a time extension on any approved PW by submitting a written request to the State. Such a request should be submitted in writing prior to the completion date currently in effect. The State may grant a time extension if the reason for delay is based on extenuating circumstances or unusual project requirements beyond the applicant's control so long as the additional time requested does not exceed the following time frames:

Emergency Work = 6 months

Permanent Work = 30 months

The State will notify FEMA of all time extensions that have been approved. Requests for time extensions beyond the State's authority will be forwarded to FEMA in writing for determination with the State's recommendation in accordance with the requirements of 44 CFR, Section 206.204 (d). Work performed after the last approved completion deadline is subject to having funding reduced or withdrawn.

h. Project Completion

1. Upon completion of a large project, the applicant will be required to submit a project cost summary to the State that lists all labor, equipment, materials and contract costs associated with making needed repairs. The State will conduct a review of the project's documentation to verify the actual project cost. If a large project was 100 percent complete at the time the PW was prepared, the eligible cost was based on actual cost information and the applicant is not claiming additional funding, no further review by the State will be necessary.
 2. Upon completion of all approved work, the applicant will be required to submit the Project Completion and Certification Report (P.4) to the State certifying that all work has been completed in accordance with funding approvals and that all claims have been paid in full. The P.4 must be signed and dated by the Applicant Agent.
 3. If an Applicant has approved small project PW's with underruns and overruns, it's the total cumulative cost of all the small project PW's on the applicant's P.4 that counts. If the total cumulative cost is less than the total approved amount, the difference must be spent to enhance other approved projects or mitigation measures in the disaster effected area. Federal funds for small projects shall not be reduced if all of the approved funds are not spent to complete the project; however failure to complete a project may require the payment to be refunded.
- i. Cost Overruns – The State will verify all significant cost overrun appeals submitted by the applicant (on small projects) by conducting a review of all approved small PW's within the applicant's project application. The State will base its recommendation for additional funding on the information obtained during the review and will forward a report to FEMA for final determination. This process is called a "Small Project Review". The cost share will be based on the final eligible costs for all small projects (whether an overrun or an underrun) and will be adjusted at the time actual eligible costs for all small and large projects are determined for the applicant.
- j. Disputes/Conflict Resolution – In order to expedite funding and minimize applicant appeals, the following conflict resolution process should be followed:
1. If an Applicant Liaison has been assigned, the applicant should notify this individual of the unresolved issue.
 2. The Applicant Liaison should work to resolve the issue with the PAC. If the issue remains unresolved, the Applicant Liaison should notify the SPAO.
 3. The SPAO should work to resolve the issue with the PAO.

4. Only after all these steps have been taken will the applicant be referred to the appeal process.
- k. Appeals - Upon receipt of an appeal from the applicant, the State will review the material submitted, make such additional investigations as necessary, and will forward the appeal with a written recommendation to FEMA within 60 days of receipt of the appeal. An appeal must be submitted by the applicant within the following time frames:
1. Any FEMA determination - 60 days from the date of written notice of the determination being appealed.
 2. Any State determination on Time Extensions - 60 days from the date of written notice of the determination being appealed.
 3. Cost overrun - 60 days from the date the last project was completed (small projects only).
 4. Second/Final Appeal - 60 days from the date of written notice of the determination made on the first appeal.
- l. Final Inspection - A final inspection and a SPAO audit will be conducted by the State on all large projects once the projects have been completed and the final project cost summary has been submitted, unless the large project PW was 100% complete at the time it was prepared, in order to certify to FEMA that the reported costs were incurred in the performance of eligible work. For those projects of a technical nature, a final inspection will be conducted by a qualified member of the applicable State agency to which the project pertains. The final inspection should be completed as soon as practical following the receipt of the final project cost summary from the applicant.
- m. Special Requirements
1. The GAR will ensure grantee and sub-grantee compliance with 44 Code of Federal Regulations (CFR) parts; (9) Flood Management, (10) Environmental Assessment, (13) Uniform Administrative Requirements, (18) Lobbying and other special requirements and 206 Federal Disaster Assistance contained in the Stafford Act, as well as applicable handbooks and instructions.
 2. Audit Requirement - Audit requirements will be in accordance with 44 CFR, Part 14 or OMB Circular A-110, as appropriate.

A review of all large projects (and all small projects with significant cost overruns) will be conducted by the State once those projects are completed. Applicants expending \$300,000 or more in total Federal financial assistance in a fiscal year will be required to have an audit made in accordance with the Single Audit Act Amendments of 1996 - OMB A-133.
 3. The State will obtain and review "Audits" per the Single Audit Act from all subgrantees/applicants which exceed the Single Audit Act expenditure threshold. Any identified financial reporting inconsistencies will be reconciled with the subgrantee by the GAR or appropriate state audit agency.

D. Records and Reports

- a. Progress Reports – The State will submit a quarterly progress report to FEMA, which will contain the status of all large projects, which have not received final payment. The first quarterly report will be submitted three months from the date the JFO closed or on a quarterly schedule mutually agreed upon by FEMA and the State.

- b. Close-out - Each applicant will be closed-out once it is determined that all work has been completed, all necessary documents have been received, any appeal for small project overruns (Small Project Reviews) has been reconciled, the costs for each individual large project have been reconciled, all project payments have been made, and no further action is pending or anticipated (including litigation or lawsuits). The State will notify FEMA when all eligible funds have been paid to an applicant and request Applicant closeout. When all applicant's have been closed-out and all eligible Grantee funding has been reconciled, the State will request of FEMA that the Public Assistance Program for that disaster be closed.

The closeout of a grant does not affect:

- 1. The federal agency's right to disallow costs and recover funds on the basis of a later audit or other review;
 - 2. The grantee's obligation to return any funds due as a result of later refunds, corrections, or other transactions;
 - 3. Records retention as required by 44 CFR, section 13.26;
 - 4. Property management requirements in 44 CFR, section 13.31 and 13.32; and
 - 5. Audit requirements in 44 CFR, section 13.26.
- c. Financial Status Report (SF 269/SF 269A or FEMA 20-10) - The grantee shall submit the financial reports to the FEMA regional office 30 days after the end of the first federal quarter following the initial grant award. Financial Reports will be submitted to FEMA at least quarterly thereafter. Financial Reports are due January 30, April 30, July 30, and October 30.
 - d. Project Documentation (Record Retention) - The applicant will be required to keep complete records of all work (i.e. receipts, checks, job orders, contracts, equipment usage documentation and payroll information) funded under the Public Assistance Program for three (3) years from the date of receipt of final payment. During this three (3) year period, all approved PW's are subject to State and Federal audit/review.

VII. DEVELOPMENT AND MAINTENANCE

This plan will be reviewed and updated annually. Amendments will be made to meet current policy guidelines, as required. Revisions will be forwarded to the Region VIII Director of the Federal Emergency Management Agency.

Attachments:

- 1. Draft Agenda - Applicant's Briefing
- 2. Designation of Applicant Agent and Applicant Assurances
- 3. Policy for 25% State/Local Cost Share
- 4. Fire Management Assistance Grant Program (FMAGP)